

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

**MEETING DATE:** December 16, 2003, Work Session

**AGENDA ITEM NO.:** 8

**CONSENT:**

**REGULAR:** X

**CLOSED SESSION:**

(Confidential)

**ACTION:** X

**INFORMATION:**

**ITEM TITLE:** Further Discussion About the Proposal to Evaluate, and Adjust, as Appropriate, LynCom and Civilian Positions in the Police Department Coincident With Adjustments for Sworn Officers

**RECOMMENDATION:** Reaffirm Council's action to allow an examination of LynCom and civilian employees in the Lynchburg Police Department (LPD) with respect to the newly adopted Compensation Philosophy and to make appropriate adjustments, if any, effective January 1, 2004, coincident with adjustments to pay for sworn officers.

**SUMMARY:** Since this issue was first raised during Council's retreat in August, I have expressed the desire to look at the pay for LynCom and civilian employees of the LPD, with respect to the newly adopted Compensation Philosophy (copy attached), coincident with pay adjustments for sworn officers. Although I was aware that some Council members did not share that perspective, my proposal presented to Council on November 25 2003 (copy attached) included a provision consistent with that intent. Since then, several Council members have questioned that aspect of the proposal and I have been asked to place this matter on your work session agenda for further discussion.

My reasons for wanting to include the other positions in the LPD are as follows:

1. It is consistent with my desire to apply the Compensation Philosophy across the entire organization. I would like to complete one department and then look at others.
2. I believe that a department operates as a team and that the administrative positions are important to the team's success. Therefore I would like to look at the entire team to see if adjustments are necessary. I don't think it is appropriate to tell the support staff that their role is less significant than those in the field directly delivering services. If that was our operating principle, entire City departments that provide support to field operations would be ignored.

While the analysis of the civilian and LynCom positions has not been completed, I would like to proceed as proposed. I will be prepared to discuss this matter further with Council during your work session. In addition, I have been asked to provide some graphic representation of the proposed adjustments to the pay of sworn officers. The attached graphs are in response to that request.

**PRIOR ACTION(S):** November 25, 2003, Council approved the first reading of an appropriation (copy attached) to adjust the pay of sworn officers in the Lynchburg Police Department which included funds to address the pay of civilians and LynCom employees once the necessary analysis was complete.

**FISCAL IMPACT:** Undetermined at this time, although \$75,000 was set aside for the remainder of FY 2004.

**CONTACT(S):** Kimball Payne

**ATTACHMENT(S):** Compensation Philosophy; November 25, 2003 Presentation; Appropriating resolution; Graphs representing pay adjustments for sworn officers.

**REVIEWED BY:** lkp

## **CITY OF LYNCHBURG COMPENSATION PHILOSOPHY**

(Adopted by City Council, November 25, 2003)

Inherent in City Council's vision of responsive, effective local government, the **mission** of the employees of the City of Lynchburg is to deliver services to City residents, workers and visitors in an efficient, effective and equitable manner and to build a stronger community.

The **goal** of the City of Lynchburg's compensation program is to attract, reward and retain employees that are representative of the community and fully able to deliver services at acceptable levels.

The City will develop and maintain a **Pay Plan** guided by the following **principles**:

- Public service is an admirable occupation and the employees who have dedicated themselves to the service of the City's residents are to be valued.
  - City employees shall be compensated in ways that reflect market competitiveness and recognize performance in alignment with organizational goals.
- Each City employee is a unique individual, with his or her unique and particular needs and aspirations. No compensation program can accommodate every individual circumstance. Rather, the intent is to have a program that reasonably provides choices and the flexibility to assist employees in achieving their goals, while encouraging individual responsibility and reflecting the prevailing market environment.
- The Pay Plan must be fiscally responsible and affordable; it will always be constrained by resource availability.
- No pay plan is perfect; every variable cannot be addressed equally and to the satisfaction of all. Choices and trade-offs based on the organization's values, goals and priorities must be made.
- The Pay Plan shall be rational and based on clear guidelines that can be easily understood and communicated.
- Differences in compensation for reasons other than job classification, performance, qualifications, longevity or legal requirements are inappropriate. Specifically, there shall be no discrimination related to non-job related factors such as race, color, national origin, religion, gender, age, disability or political affiliation.

The City's compensation program will:

- balance salary and non-salary benefits to achieve competitive total compensation.
- assure that like jobs are valued with comparable methodology and are treated similarly in terms of base pay.
- manage pay ranges with respect to the relevant market for comparable work.
- promote individual contributions and high levels of performance that advance organizational and departmental missions and outcomes.
- consider relevant market data, internal equity, knowledge, skills and abilities, length of service in the job and demonstrated performance in setting individual pay.
- attract applicants with the basic skills needed to perform the job and the ability to quickly learn the specific requirements of the position.
- allow new employees with relevant experience (both quantitative and qualitative) and demonstrated competence to be hired at a pay rate above the range minimum.
- ensure that the pay of current employees with experience similar to new employees is comparable (assuming satisfactory performance).
- support **alternate pay systems** based on unique business needs that are, to the greatest extent possible, consistent with the overall compensation philosophy.
- be fiscally constrained.

### Market Comparisons

The “**market**” is defined as other employers considered being in competition for personnel similar to those employed by the City. Ideally, market analysis will compare pay and benefits in other organizations of similar size, cost of living, service delivery requirements and organizational structure. Generally, this will include Virginia's First Cities, local governments in the region, and private sector employers as appropriate.

### Pay Plan Adjustment

When considering pay plan adjustments, no single measure will be considered in isolation. Management judgement is important.

Evidence that the pay ranges for specific positions or job categories need to be reevaluated will be demonstrated by significant variance from the market, excessive turnover, and/or difficulty recruiting.

### Advancement Through the Pay Range

It is a goal to move the compensation program to include **performance based increases**. Employees should be encouraged to make a performance difference, either individually or through teams, in which results are more important than entitlements (i.e. seniority, hierarchy, or the expectation of additional pay for changing responsibilities).

Individual contributions should serve as a significant factor in determining individual compensation. Higher performance should be rewarded by quicker advancement in the relevant pay range. Minimally acceptable performance should not be rewarded although efforts should be made to keep pay comparable to market. Performance at less than an acceptable level should result in no advancement in pay and requires management intervention to assist the employee in achieving satisfactory performance. Sustained and documented unsatisfactory performance is grounds for demotion or dismissal.

**Advancement** through a pay range may reflect **longevity** (length of service) but should be primarily tied to **performance** (effectiveness, demonstrable skills and competencies that produce outcomes/results contributing to the achievement of the organization's mission and goals). Longevity may also be recognized through indirect compensation (such as the carryover of increased annual leave balances, higher deferred compensation matches, etc.).

### A Positive Work Environment

Compensation is only one determinant of employee satisfaction and may be secondary to the work itself and the work environment. Accordingly, the City will strive to maintain a **positive work environment** characterized by:

- a focus on employee safety
- adequate work space
- appropriate equipment
- effective management practices and positive management attitude
- consistent, effective and efficient policies and procedures
- workforce training and development
- opportunities for selection and promotion from within
- recognition for sustained high performance or significant achievement through monetary and non-monetary measures

# Lynchburg Police Department

## Pay Proposal

November 25, 2003

# Issues

- Turnover
- Challenges Recruiting
- Pay compared to market
- Compression

## Present Salary Ranges

	<u>Min.</u>	<u>Max.</u>
Recruit/PO II	\$28,184	\$40,872
PO III	\$31,262	\$50,003
Lieutenant	\$39,520	\$63,232
Captain	\$46,634	\$74,610
Major	\$55,037	\$88,067
Chief	\$61,547	\$95,493

# Market Analysis

## Range Adjustments Called For

PO II	6%
PO III	11%
LT	7%
Capt.	3%
Maj.	2%



# New Range Development

- Minimums set to reflect market
- Range width 1.5 times minimum
- 20% increase (nominally) between ranges
- Adjusted to fit hierarchal rank structure

## Proposed New Ranges

	<u>Min.</u>	<u>Max.</u>
Recruit/PO II	\$30,000	\$45,000
PO III	\$35,000	\$53,000
Lieutenant	\$42,500	\$65,000
Captain	\$51,000	\$77,520
Major	\$61,200	\$93,100
Chief	\$70,782	\$109,803

## Addressing Compression

- Based on whole years in position as of July 1, 2003
- Work from new minimum for POII
- Advance through the range by 2.5%, compounded, for each whole year of service
- Allow for 10% increase on promotion
- Maintain current pay if higher than results
- Hold individual salaries at position maximum

# Results

Number receiving a raise: 133 of 146

Range of pay increases: \$0 - \$15,475

Average increase: \$4,630

Total Cost: ~\$800,000

## Results, con't

- Equivalent to an overall across the board increase of approximately 11%.
- Addresses compression by using longevity and time in rank to adjust individual pay and re-establish the baseline.
- Establishes market comparability in both ranges and individual pay (based on market average).
- Should reduce pay related turnover and enhance recruitment.

# Market Comparisons

	Current Avg Pay	Avg Mkt Pay	Proposed Avg Pay	Proposed Ratio to Mkt
Major (2)	70,710	78,279	78,476	100.25%
Capt (6)	60,237	63,669	70,671	111%
Lt (17)	47,853	54,518	54,546	100.05%
POIII (57)	39,359	43,268	45,092	104.22%
POII (57)	30,388	33,996	32,020	94.19%
Recruit (7)	28,184	30,190	30,107	99.73%

## From Here On

- Pilot *Performance Based Pay* in LPD
- Annual market analysis and range adjustment as necessary
- Keep range minimums comparable to market minimums
- If range moves, pay for employees within that range moves by an equivalent percentage

## From Here On (con't)

- Apply a similar methodology to LynCom and civilian positions in the LPD.  
Estimated cost ~\$150,000
- The procedure used to adjust compression is meant to re-establish a baseline for moving forward and is to be considered a “one-time” fix. This does not imply any promise of how advancement will be handled in the future.



BE IT RESOLVED That the Fiscal Year 2004 Budget, Current Real Property Revenue, is hereby amended to reflect an additional \$475,000 in revenue, and the Lynchburg Police Department budget is also amended to reflect an additional expenditure of \$475,000 for Salaries, and

BE IT FURTHER RESOLVED That \$475,000 is appropriated in the General Fund for the purpose of adjusting salaries in the Police Department effective January 1, 2004.

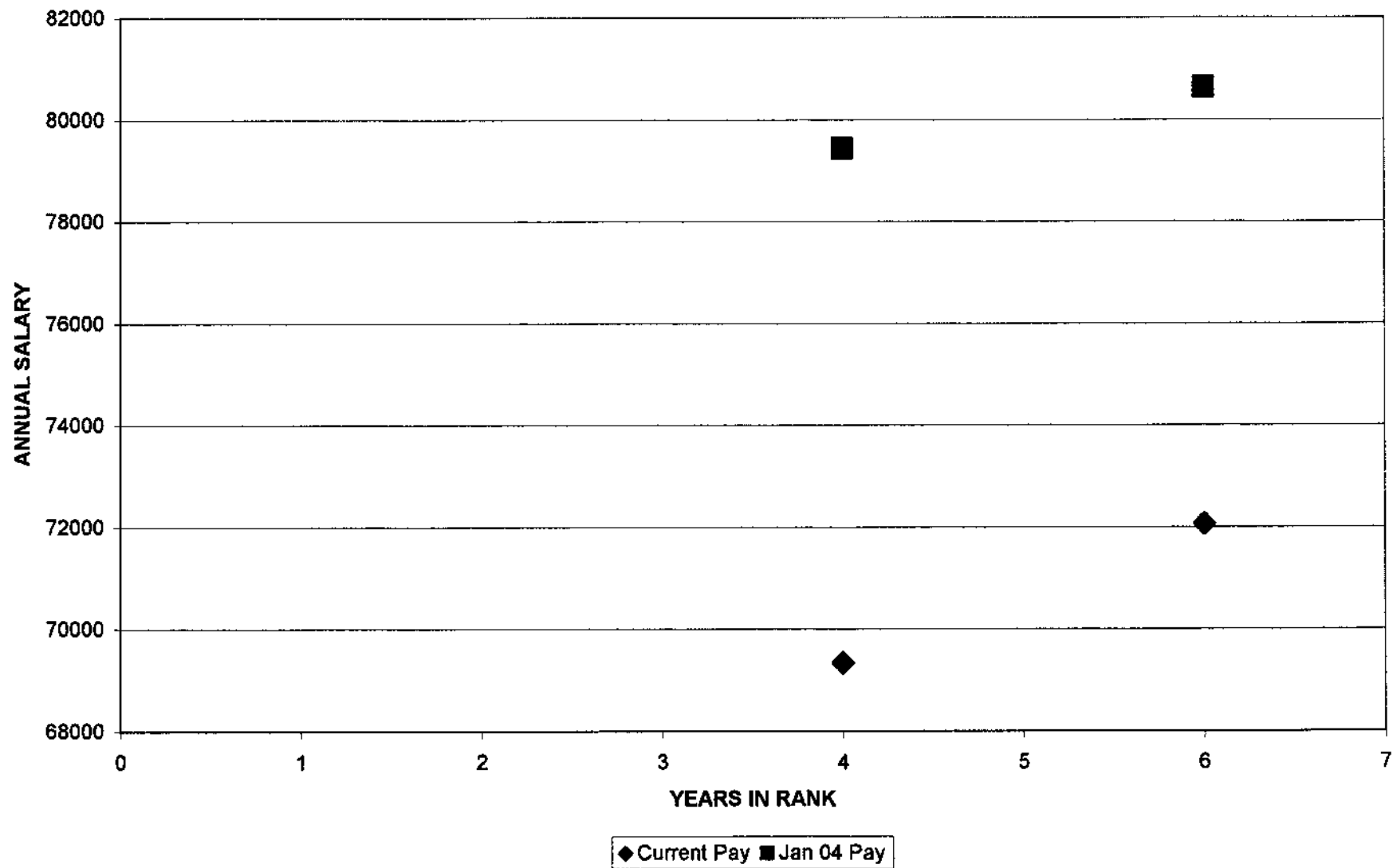
Introduced:

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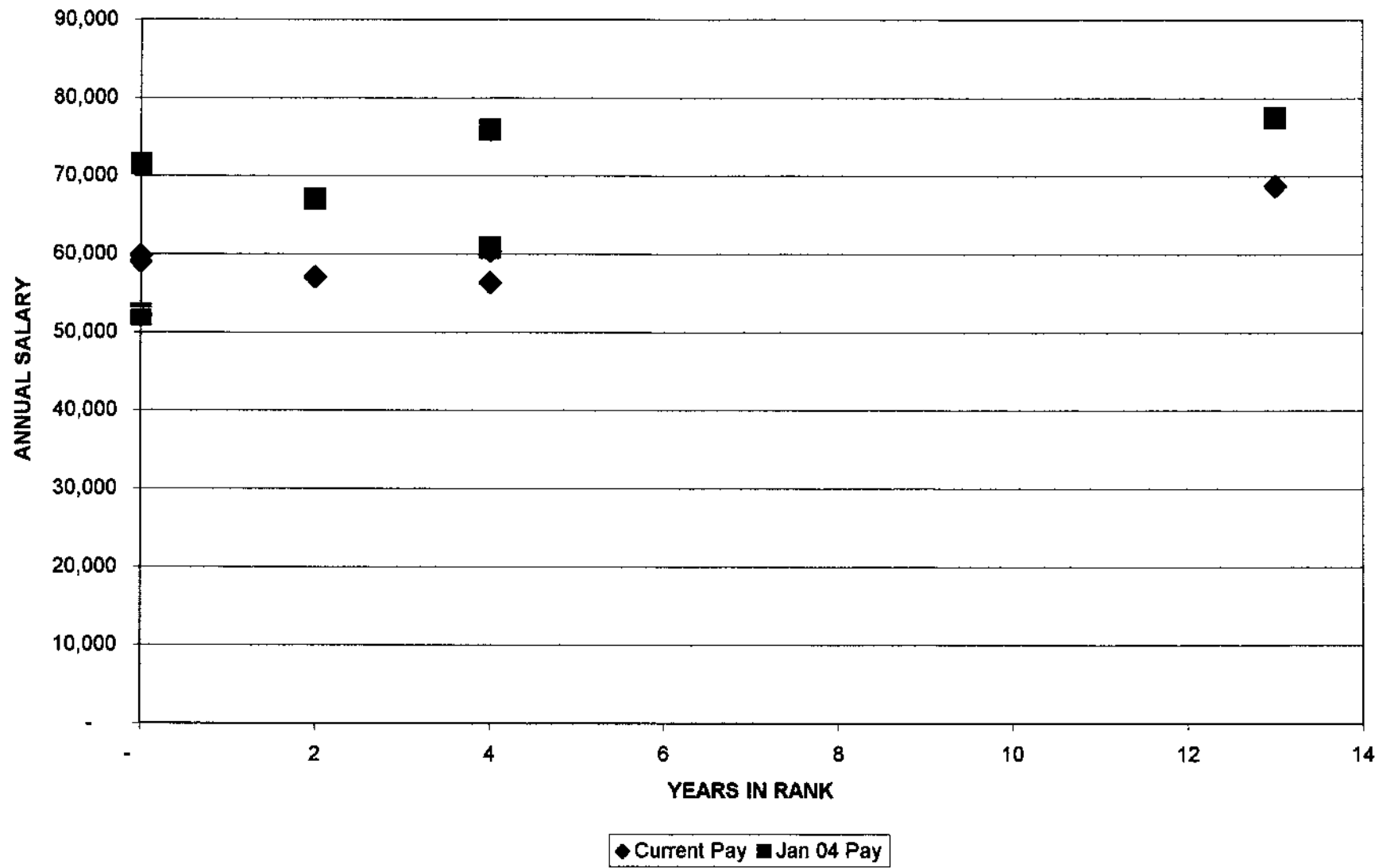
Certified:

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Clerk of Council

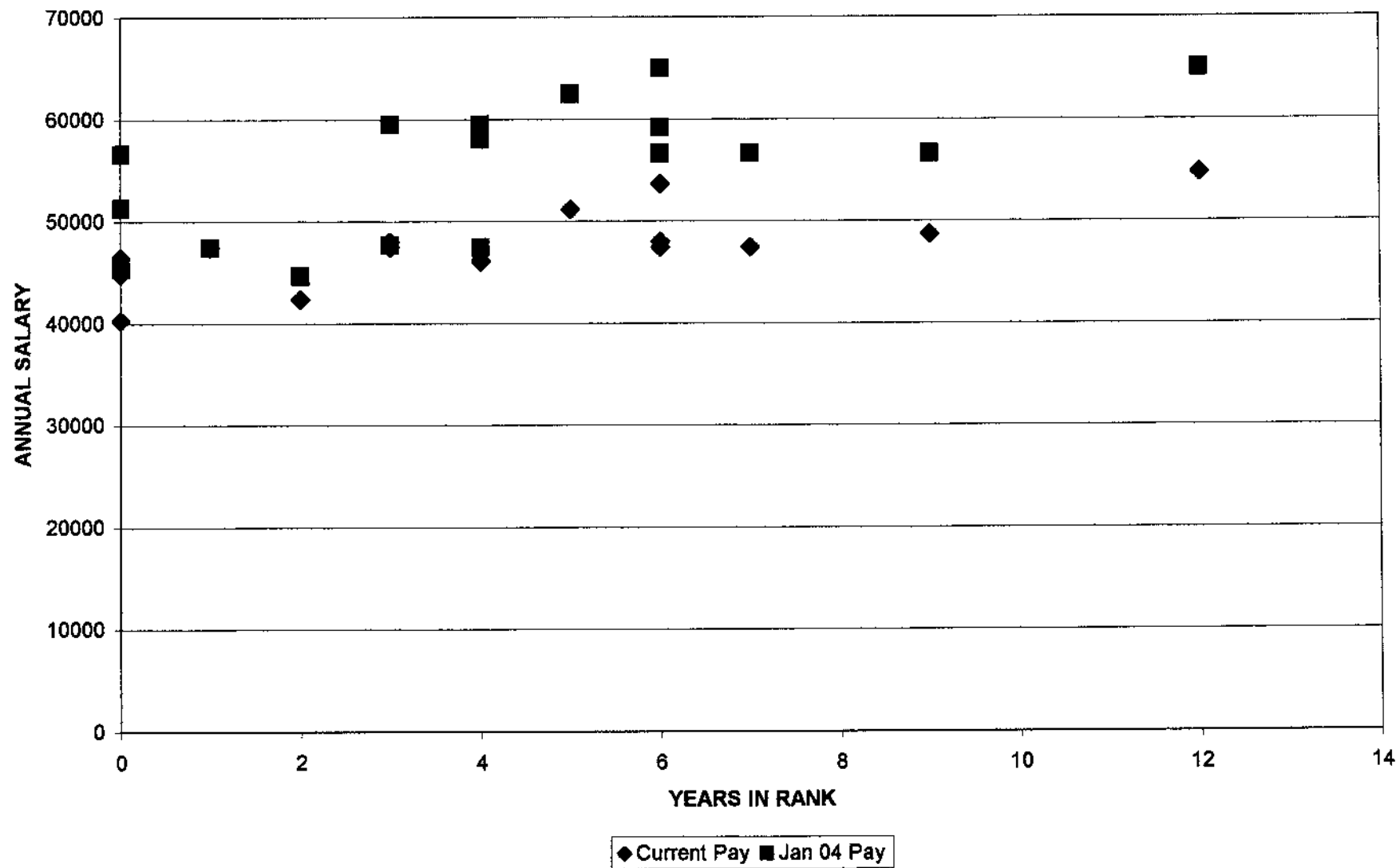
### COMPARISON OF PAY - MAJOR



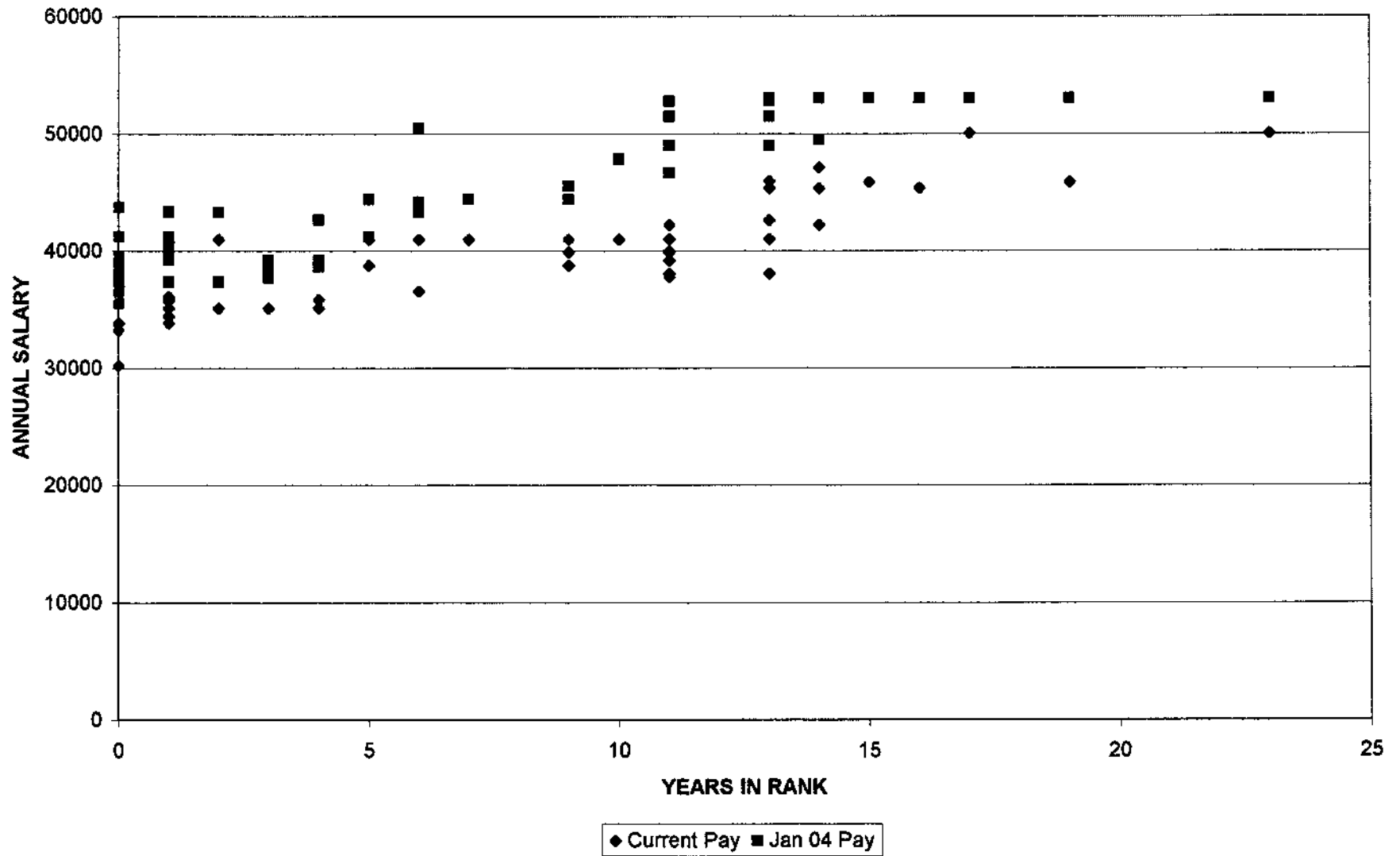
### COMPARISON OF PAY - CAPTAIN



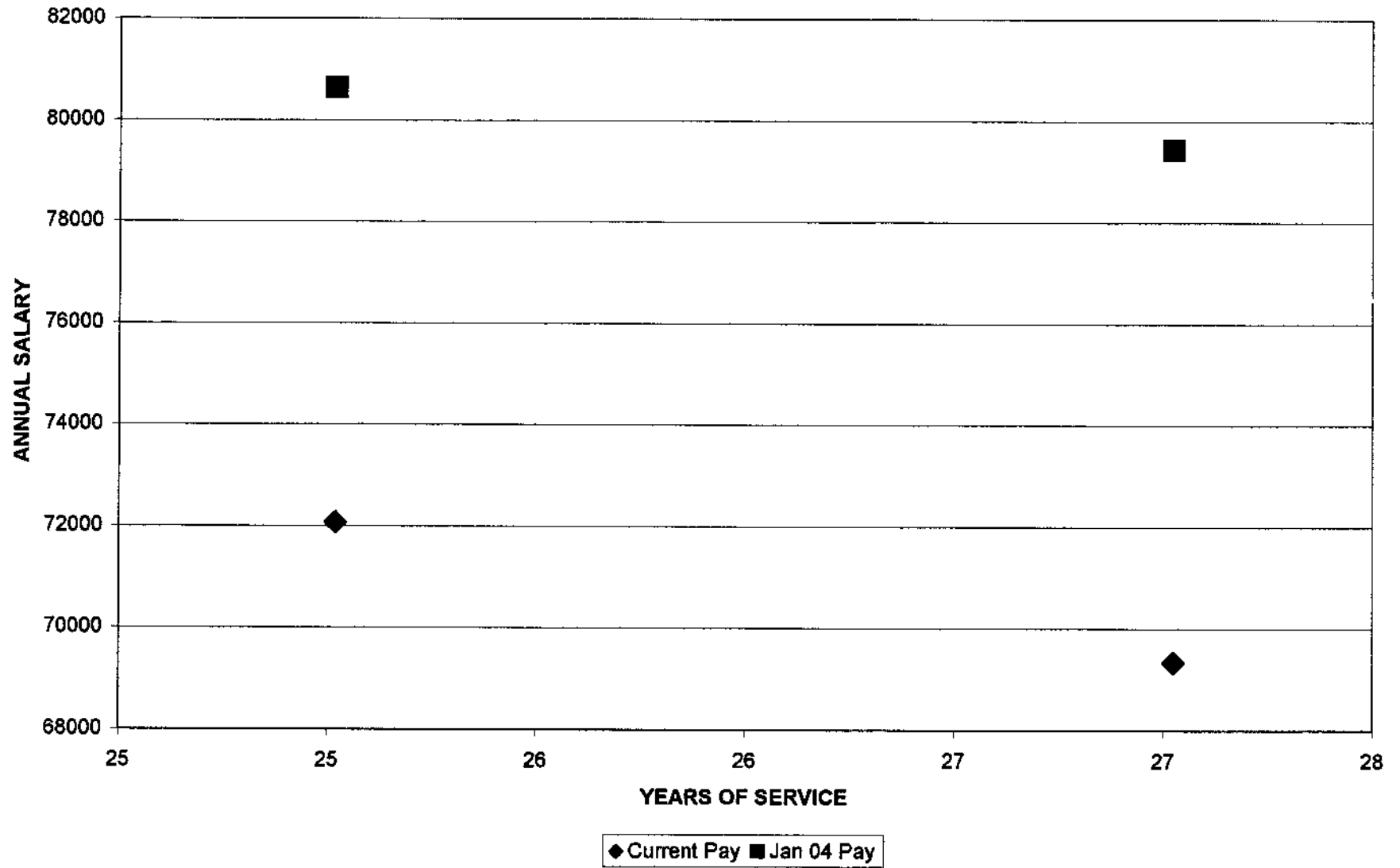
### COMPARISON OF PAY - LIEUTENANT



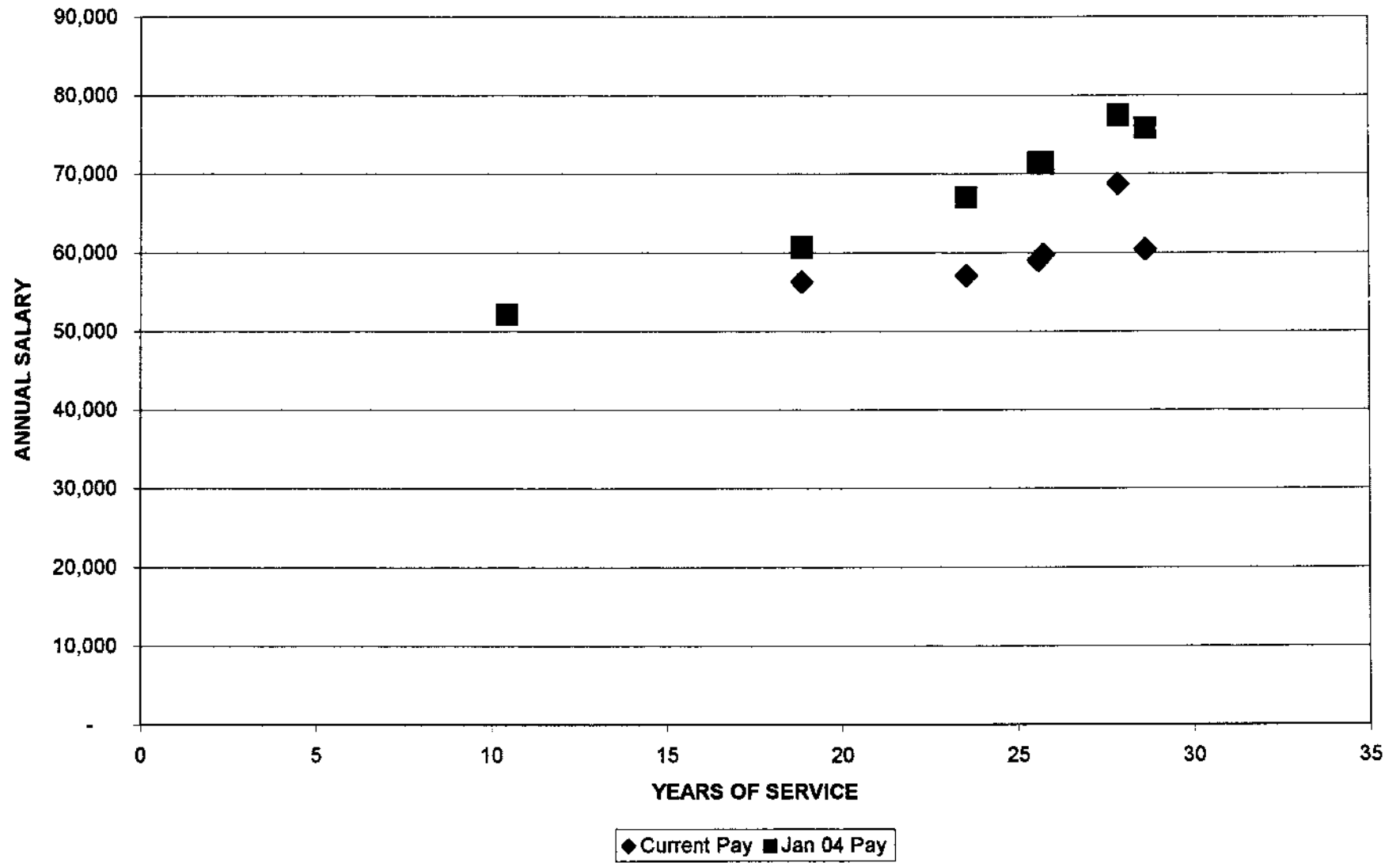
### COMPARISON OF PAY - PO III



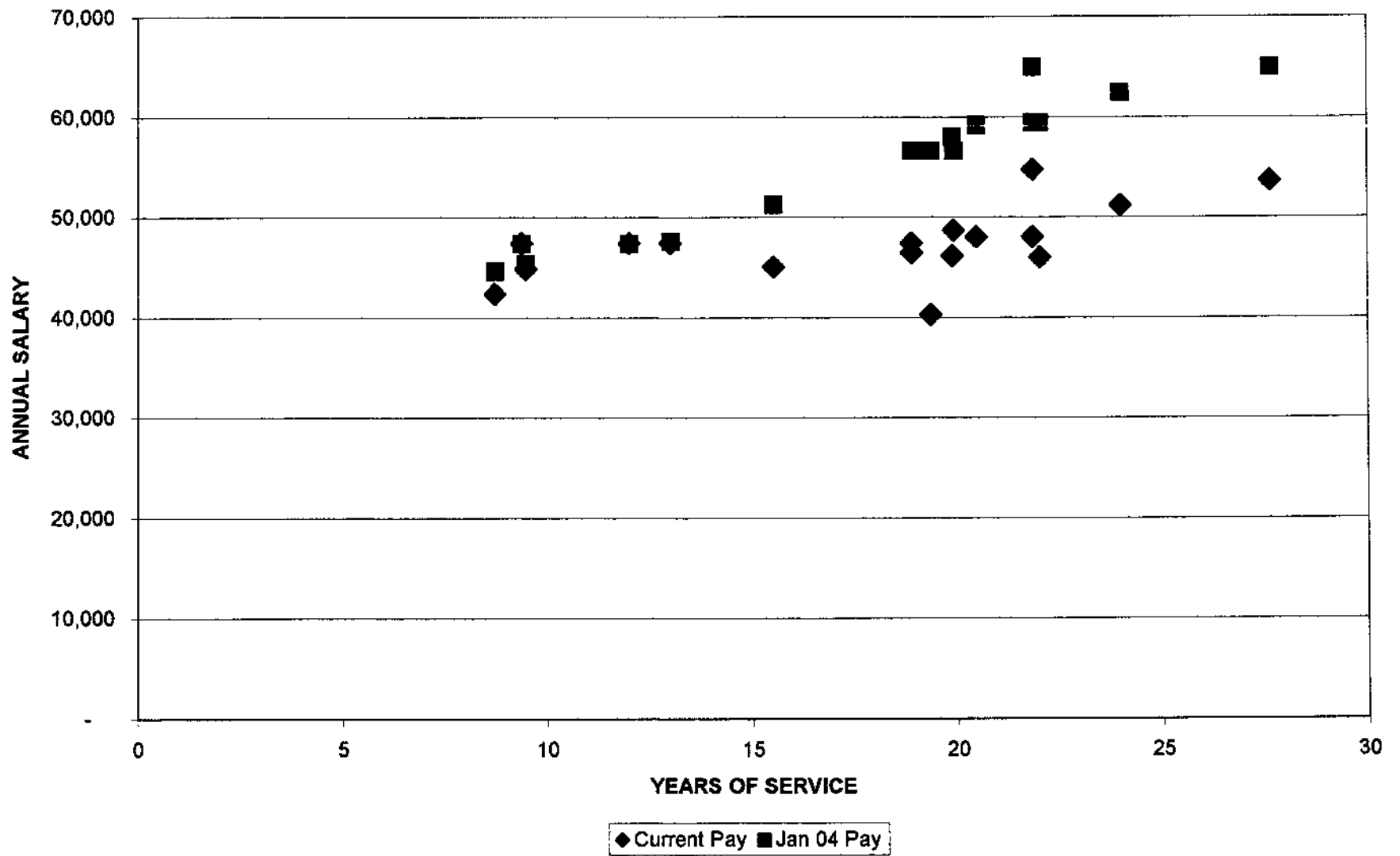
### COMPARISON OF PAY - MAJOR



# COMPARISON OF PAY - CAPTAIN

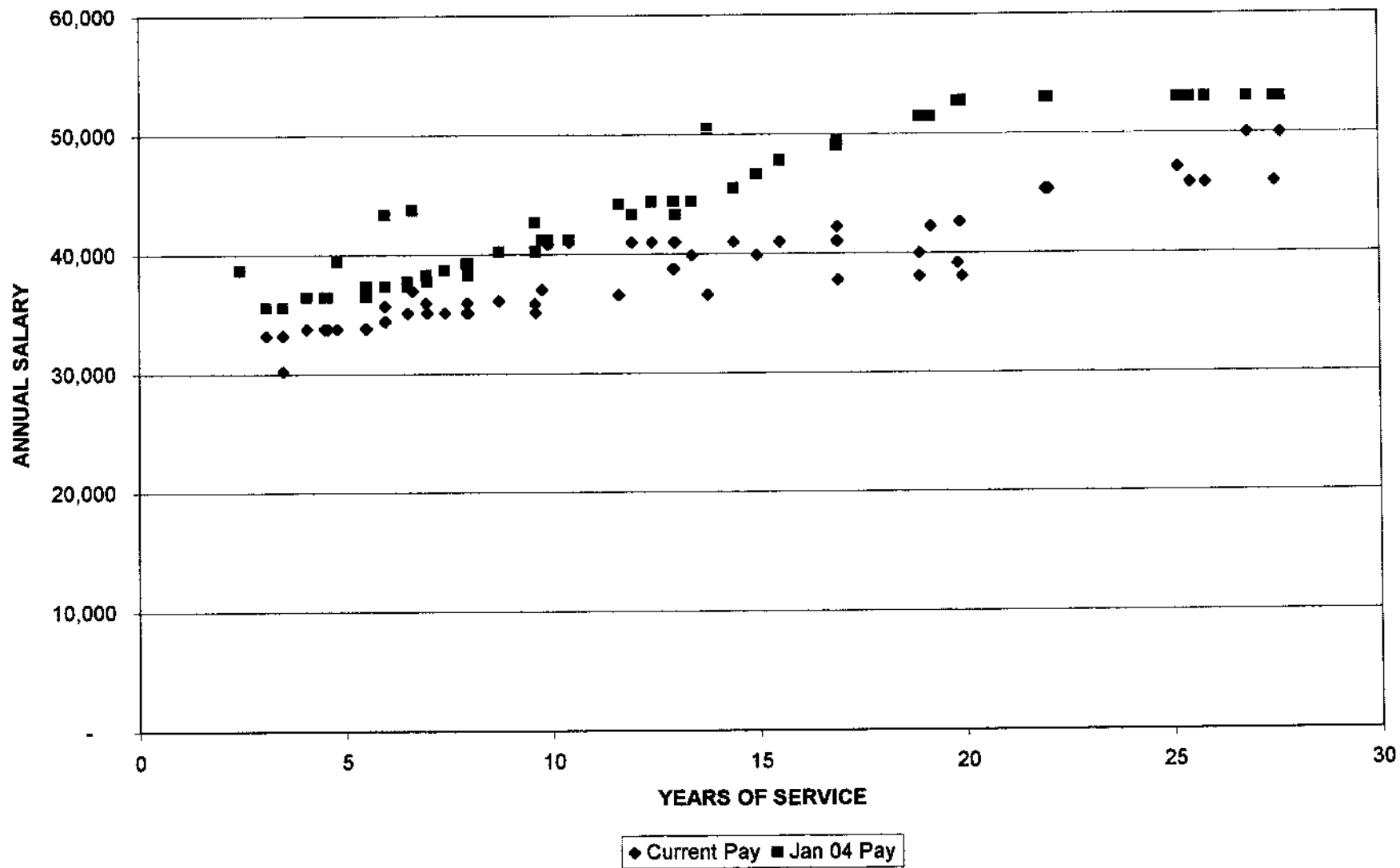


# COMPARISON OF PAY - LIEUTENANTS





# COMPAIRSON OF PAY - PO III



# COMPARISON OF PAY - PO II

